

R590. Insurance, Administration. Effective 11-15-86**R590-108. Interest Rate During Grace Period or Upon Reinstatement of Policy.****R590-108-1. Authority.**

This rule is promulgated by the Commissioner of Insurance under Sections 31A-2-201(3) to adopt rules to implement the provisions of the Utah Insurance Code, and specifically Sections 31A-22-402 and 31A-22-407(1) authorizing the commissioner to establish by rule the rate of interest an insurer may charge in a life insurance or annuity contract upon premiums due or overdue during a grace period or upon subsequent reinstatement of the contract.

R590-108-2. Purpose.

The purpose of this rule is to establish the rate of interest an insurer may charge upon premiums due under a life insurance or annuity contract during a grace period or upon subsequent reinstatement of the contract.

R590-108-3. Definitions.

For the purpose of this rule the commissioner adopts the definitions as particularly stated in Section 31A-1-301.

R590-108-4. Rule.

Under Sections 31A-22-402 and 31A-22-407(1), an insurer is authorized to impose and collect an interest charge upon payment of premiums due or overdue during a grace period or upon subsequent reinstatement of a life insurance policy or annuity contract. The rate of interest to be charged shall be the rate set within the policy, but may not exceed the rate of interest in the policy for policy loans. In the absence of a policy loan provision within the policy, the insurer may not impose or collect an interest charge in excess of the maximum interest rate of 8% as established for policy loans under Section 31A-22-420.

R590-108-5. Penalties.

Any insurer that fails to comply with the provisions of Sections 31A-22-402 and 31A-22-407(1), or with this rule shall be subject to the forfeiture provisions of Section 31A-2-308.

R590-108-6. Separability.

If any provisions of this rule or the application of it to any person is for any reason held to be invalid, the remainder of the rule and the application of any provision to other persons or circumstances may not be affected.

KEY: insurance companies**1987 31A-2-201****Notice of Continuation 1992 31A-22-402****31A-22-407**

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